

**From:** Aaron Zisman <[azisman@kbirecycling.com](mailto:azisman@kbirecycling.com)>  
**Sent:** Friday, January 24, 2020 1:47 PM  
**To:** Muratore, Kim <[Muratore.Kim@epa.gov](mailto:Muratore.Kim@epa.gov)>  
**Cc:** Richard Dongell <[RDongell@murchisonlaw.com](mailto:RDongell@murchisonlaw.com)>; Paul Johnson <[pjohnson@kbirecycling.com](mailto:pjohnson@kbirecycling.com)>  
**Subject:** Response

BACKGROUND FACTS/PREFACE TO OUR RESPONSES:

Kinsbursky Bros. Supply, Inc. (KBSI), a California corporation, started business in Anaheim in 1977 with our operations located at 1314 N. Anaheim Boulevard, City of Anaheim. KBSI was then, and remains today, a small, family-owned business. I have been the CFO of KBSI for the past 45 years.

KBSI is a high end recycling company. Over the past decades to the present, KBSI has served a critical role in the recycling process having converted significant amounts of scrap metal and used lead acid and lithium batteries into usable and valuable product, collecting these discarded materials and diverting them from ending up on the streets and in landfills.

We are proud that KBSI is one of just a few fully-permitted Treatment, Storage and Disposal (TSD) facilities under the federal RCRA Act in southern California as implemented by the DTSC. We have thus been performing a critical role in the recycling chain throughout California and for our community at large. In addition to our role as a recycler in Southern California, and from the start of our company, we have always taken to heart and handled well our corporate responsibility for our employees, environment and local community.

Over the past several decades, KBSI's business consistently grew in a substantial way especially given our role as one of the few, fully-permitted TSD facilities in Southern California. Starting in the mid-1990s it was becoming apparent that we needed to expand our existing operations to handle the recycling demands of the region. By the late 1990s this had become a critical need for us. We had two options. First, we could purchase a larger site at a different location and build out new operations. Or second, we could purchase some additional property adjacent to our current facility if at all possible and expand our operations on this combined site. For several reasons, we greatly preferred the latter option.

With regard to pursuing the possibility of this second option, we had noticed that there was an L-shaped property on Commercial Avenue that immediately abutted our existing property. This property had been vacant for many years. It would have been the perfect property for us to acquire to expand our operations. Our current property combined with this contiguous property would provide us with the perfect amount of accessible space we needed to construct an expanded plant operation that would allow us to effectively handle the requirements of our growing customer base.

We researched and determined that McWane Industries was the current owner of this property immediately next door to ours, located at 125 Commercial Street, City of Anaheim (Adjacent Property). We learned that McWane, a large industrial company based in Birmingham, Alabama, had several years prior acquired a small company called Anaheim Foundry (also known as Anaco). Anaco apparently had manufactured certain pipe and pipe fitting products that competed with products manufactured by a McWane company.

McWane informed us that its primary purpose in acquiring Anaco was to shut down the Anaco business, thereby eliminating a small competitor to McWane. At the time we started discussions with McWane to buy the Adjacent Property, McWane informed us that the only asset remaining in the Anaco corporate entity was the Adjacent Property. McWane insisted that we purchase the Adjacent Property in the form of a stock purchase of Anaco because the only asset remaining in the Anaco entity was the Adjacent Property. We negotiated with McWane and agreed upon a purchase price of the Adjacent Property and thereafter concluded the stock purchase of the remaining Anaco entity. This was a single purpose transaction in 2000 that allowed us to purchase the Adjacent Property so that we could expand our operations at a larger combined site. McWane also informed us that it wanted to keep the trade name Anaco so we needed to come up with and use another name for the Anaco shell entity. We chose to rename the entity Carcore, Inc.

The original property located at 1314 N. Anaheim Boulevard is owned by several Kinsbursky related family trusts who lease the property back to KBSI. So when we purchased the Adjacent Property the owners of KBSI created KBI Investments LLC to purchase Adjacent Property. KBI Investments LLC in turn leases back the Adjacent Property back to KBSI and another tenant Motive Energy. I am the President of KBI Investments LLC. The only asset of KBI Investments LLC is the Adjacent Property (through its ownership of the Carcore corporate entity shell). Accordingly and other than a passive real estate holder, the Carcore shell entity has been inactive since 2000 and has not conducted any operations whatsoever at the Adjacent Property or any other site.

Since acquiring the Adjacent Property, we have constructed an entirely new, state-of-the-art TSD Facility at the combined site. We are extremely proud of this facility and the critical role we play in the modern recycling chain. For your information, KBSI also changed its corporate name last year to KBI Recycling.

Upon receiving the Information Request Letter, we noted that it focuses on a property located at 800 E. Orangethorpe Avenue concerning which we have no knowledge. As mentioned above, our only interest in and knowledge about Anaco focused solely on our purchasing the Adjacent Property back in 2000. At the time we purchased the Adjacent Property—the only remaining asset of the Anaco entity—we recall that McWane informed us that in the past Anaco had leased a space for their business offices on Orangethorpe Avenue. To our knowledge Anaco never owned but leased the Orangethorpe property for business office space and as such it was not an asset of Anaco nor part of our business discussions with McWane.

We recalled at the time we closed the 2000 purchase of the Adjacent Property with McWane, McWane had provided us with Anaco related business records in its possession. However, McWane had informed us that a fire in 1990 had destroyed all of Anaco's business records, so the records McWane had was of a very limited nature.

Upon receiving the Information Request Letter, we conducted an internal search and review to obtain any Anaco related documents in our possession that might be responsive to the requested items set forth in the letter. We even requested that our regular outside environmental consulting firm obtain EDR reports concerning the Orangethorpe site to better understand the site.

Having explained the relevant background facts, we respond to each information request below.

OUR REPSONSES TO EACH REQUEST:

1. Aaron Zisman; my contact information is below. We requested the assistance of our legal counsel, Richard Dongell; Murchison & Cumming; 18201 Von Karman Avenue, Irvine Ca 90612; [rdongell@murchisonlaw.com](mailto:rdongell@murchisonlaw.com); 714-953-2238
2. We do not possess any responsive information
3. We do not possess any responsive information. However, our independent review of EDR reports for the Orangethorpe site appears to indicate that Anaco may not have used these chemicals
4. We do not possess any responsive information
5. See Background Facts Section above for this response
6. We do not possess any information on the date which Anaheim Foundry was incorporated other than publically available information but it appears that the state of incorporation was in California
7. See Background Facts Section above. Otherwise, we do not possess any responsive information
8. Same response as response 7 above
9. This is unknown to us and we cannot find any responsive information in our possession
10. This is unknown to us
11. We do not possess any responsive information
12. Same response as 11 above
13. Same response as 11 above
14. Same response as 11 above; however, we have been told that the Sills family may be the owners of the site
15. Same response as 11 above
16. Same response as 11 above
17. Same response as 11 above
18. Same response as 11 above
19. Same response as 11 above
20. Same response as 11 above
21. Same response as 11 above
22. Same response as 11 above
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24. Same response as 11 above
25. Same response as 11 above
26. Same response as 11 above
27. Same response as 11 above
28. Same response as 11 above
29. Same response as 11 above
30. Same response as 11 above
31. Same response as 11 above
32. Same response as 11 above
33. We believe McWane would have possession of information responsive to this request

In the event we uncover any information that can assist with any of the above responses we will supplement with that additional information.

Aaron Zisman  
President  
Carcore, Inc.

**FRIENDLY NOTICE:** We recently changed our email addresses. To ensure uninterrupted communication in the future, please be sure to update your contact records with my new email address in the signature below.



[www.kbirecycling.com](http://www.kbirecycling.com)

125 E Commercial St. A  
Anaheim, CA 92801

**Aaron Zisman**

CFO

**Phone:** 714-738-8516

**Mobile:** 626-757-2464

**Email:** [azisman@kbirecycling.com](mailto:azisman@kbirecycling.com)

**Affiliates**

retrievtech.com

biggreenbox.com

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